

## TITLE 14. DEPARTMENT OF CONSERVATION

### NOTICE OF PROPOSED ACTION

#### TITLE 14. NATURAL RESOURCES DIVISION 2. DEPARTMENT OF CONSERVATION CHAPTER 5. DIVISION OF RECYCLING

NOTICE IS HEREBY GIVEN that the Department of Conservation (Department), Division of Recycling (Division) proposes to adopt amendments to the California Code of Regulations (CCR). Commencing with Subchapter 1, Chapter 5, Division 2, Title 14 of the CCR, the Division will propose permanent regulations, after the consideration of all comments, objections or recommendations. The proposed amendments are necessary to:

#### SUBCHAPTER 1. DEFINITIONS

##### § 2000. DEFINITIONS

Amended subsection 2000(a)(20) is necessary to define that a neighborhood dropoff program is a type of dropoff or collection program. SB 332 added “Neighborhood Dropoff Program” as a type of dropoff or collection program.

New subsection 2000(a)(27.3) is necessary to define the term “infant formula”. SB 332 specifically excluded “ infant formula” in the definition of “Beverage” in Section 14504(b).

New subsection 2000(a)(30.5) is necessary to define the term “medical food”. SB 332 specifically excluded “medical food” in the definition of “Beverage” in Section 14504(b).

New subsection 2000(a)(30.7) is necessary to define the term “milk”. SB 332 specifically excluded “milk” in the definition of “Beverage” in Section 14504(b).

New subsection 2000(a)(32.3) is necessary to define the term "noncarbonated soft drink". SB 332 specifically included "noncarbonated soft drinks" in the definition of "Beverage" in Section 14504(a).

Subsection 2000 (a) (32.1) has been renumbered to subsection 2000 (a) (32.4) due to the addition of new subsection 2000 (a) (32.3).

New subsection 2000(a)(36.5) is necessary to define that a recycling center includes the definition of “nonprofit convenience zone recycler” and “rural region recycler”, which were added as types of recycling centers by SB 332.

Section 2000 is amended to add reference sections 14514.4.1, 14514.7, 14519.5 and 14525.5.1.

## Article 2. Content of Certification Applications

### § 2045 APPLICATIONS FOR RECYCLING CENTERS AND PROCESSORS

New subsection 2045(a)(13) has been added to state that a recycling center shall indicate on their certification application if they are applying as a rural region recycler or a nonprofit convenience zone recycler. The addition of this new subsection is necessary because SB 332 added nonprofit convenience zone recyclers and rural region recyclers as types of recycling centers.

Subsection 2045(a)(13) has been renumbered. The new number is subsection 2045(a)(14).

Subsection 2045(a)(14) has been renumbered. The new number is subsection 2045(a)(15).

Subsection 2045(a)(15) has been renumbered. The new number is subsection 2045(a)(16).

Subsection 2045(a)(16) has been renumbered. The new number is subsection 2045(a)(17).

Subsection 2045(a)(17) has been renumbered. The new number is subsection 2045(a)(18).

Subsection 2045(a)(18) has been renumbered. The new number is subsection 2045(a)(19).

Subsection 2045(b) has been revised. The Certification Application form has been revised, thus, the revision date of the form is changed.

New subsection 2045(c) has been added. This section requires the nonprofit convenience zone recycler to provide written documentation verifying that they were established under Section 501(c) or 501(d) of Title 26 of the United States Code.

Section 2045 is amended to add reference section 14514.7.

### § 2055 APPLICATIONS FOR DROPOFF OR COLLECTION PROGRAMS AND COMMUNITY SERVICE PROGRAMS

Amended subsection 2055(a)(2)(A) is necessary to replace the word “the” with the word “any”.

New subsection 2055(a)(8) has been added to the text. This section requires the dropoff program to state if they are requesting certification as a “neighborhood dropoff program” on their certification application.

Subsection 2055(a)(8) has been renumbered. The new number is subsection 2055(a)(9).

Subsection 2055(a)(9) has been renumbered. The new number is subsection 2055(a)(10).

Subsection 2055(a)(10) has been renumbered. The new number is subsection 2055(a)(11).

Subsection 2055(a)(11) has been renumbered. The new number is subsection 2055(a)(12).

Amended subsection 2055(a)(12) has been renumbered. The new number is subsection 2055(a)(13). The revision date for the Certification Application for Dropoff or Collection Programs and Community Service Programs has been changed. The revised date for the application is 10/99.

Subsection 2055(a)(13) has been renumbered. The new number is subsection 2055(a)(14).

New subsections 2055(b)(1) and (2) have been added. These new subsections require an organization seeking certification as a neighborhood dropoff program to provide a map of the dropoff locations included in the program and the specific address of each dropoff location included in the program.

Amended subsection 2055 is amended to add reference section 14514.4.1.

### SUBCHAPTER 3. MANUFACTURERS

#### Article 1. Labeling

##### § 2200. LABELING

Amended subsection 2200 (b)(1) is necessary to allow metal containers with a top lid of two inches or less in diameter to have a minimum lettering size of at least 1/8 inch in height. SB 322 added many new containers to the program. Some of these containers are smaller than the container types which were in the program prior to the passage of SB 332 and it is necessary to allow these containers to use a smaller lettering size for their California redemption value message.

## Article 3. Accounting and Reporting Requirements for Beverage Manufacturers

### § 2235. RECORDKEEPING

Amended subsection 2235(d) is necessary to indicate the updated form DR-4 is to be used to report processing fee payments.

### § 2240. REPORTING

Amended subsections 2240 and 2240(b) are necessary to indicate the updated form DR-4 is to be used to report processing fee payments. The dates for the examples have been revised from 1996 to 2000.

## SUBCHAPTER 4. DISTRIBUTORS

### Article 1. Distributor Requirements

### § 2305 RECORDKEEPING

Amended subsection 2305(c) is necessary to amend the revision date on the Form DR-3 from 1/95 to 1/00.

### § 2310. REPORTING

Amended subsection 2310(a) is necessary to indicate the updated form that must be used by distributors to report the monthly sale or transfer of beverage containers.

Amended subsection 2310(a)(1) is necessary to define when reports for all beverage containers sold or transferred, other than beer and malt beverage containers, shall be submitted to the Division.

New subsection 2310(a)(2) is added to define when reports for beer and malt beverage containers, sold or transferred, shall be submitted to the Division.

Amended subsection 2310(a)(2) is renumbered to subsection 2310(a)(3) and amended to revise the DR-3 form date.

Amended subsection 2310(a)(2)(A) is renumbered to subsection 2310(a)(3)(A) and removes language (in this subsection) requiring the distributor identification number on the reporting form DR-3 (1/00), and adds the word “the” to the text.

New subsection 2310(a)(3)(B) is added to define what prefix shall be added to the identification number required on the DR-3 (1/00).

Amended subsections 2310(a)(3)(B),(C),(D),(E),(F) and (G) are necessary to revise the letter designations of each section changed by the addition of new subsection 2310(a)(3)(B).

Section 2310 is amended to include section 14574 of the Public Resources Code as a reference authority for these regulations.

#### § 2320. PAYMENTS

Amended subsection 2320(a) is necessary to indicate the increase in administrative fees that the distributor is eligible to receive, from one half of one percent ( $\frac{1}{2}\%$ ) to one percent (1%) of the calculated redemption payment.

Amended subsection 2320(e) see comments for subsection 2320(a).

### SUBCHAPTER 5. PROCESSORS

#### Article 3. Accounting and Reporting Requirements

#### § 2430 PAYMENTS.

Amended subsection 2430(a)(3) is necessary to indicate the increase in administrative fees paid to recycling centers from  $\frac{1}{2}\%$  to  $\frac{3}{4}\%$  of the refund value and to delete the phrase “a portion of” since recycling centers receive the whole processing payment.

Amended subsection 2430(b)(2)(B) is necessary to indicate the increase in administrative fees paid to recycling centers.

### SUBCHAPTER 6. RECYCLING CENTERS

#### Article 3. Accounting and Reporting Requirements

#### § 2540 RECEIPT OF FUNDS

Amended subsection 2540(a)(2) is necessary to indicate the increase in the administrative fee paid to recycling centers from  $\frac{1}{2}\%$  to  $\frac{3}{4}\%$  of the refund value.

Amended subsection 2540(a)(3) is necessary to delete the phrase “the portion of” since recycling centers receive the whole processing payment.

Authority to promulgate these regulations is contained in Public Resources Code (PRC) Sections 14530.5 and 14536 of the California Beverage Container Recycling and Litter Reduction Act.

INFORMATION IS AVAILABLE UPON REQUEST. Copies of the express terms of the proposed action, the initial statement of reasons and all the information upon which this proposal is based are available upon request. The rulemaking file is available to the public for review during normal business hours. Please contact Karen Denz, the Agency contact person for this file, at (916) 322-1899 to review this file.

SUBMITTING WRITTEN COMMENTS. The written comment period permits any interested person, or their authorized representative, to submit written comments addressing the proposed amendment to the Department. Written comments, which offer a recommendation and/or objection, or support the proposed amendment, should indicate the amended section to which the comment or comments are directed. Written comments should be sent to the Department and received before the close of the public comment period, no later than 5:00 p.m. on August 7, 2000. Additionally, written comments which do not reference a subsection or section of the proposed action, or are received by the Department after the close of the public comment period, will not be responded to in the rulemaking file. Submit your written comments to: K. Denz, Definitions and Reporting Deadlines Proposed Permanent Regulations, Department of Conservation, Division of Recycling, 801 "K" St. MS 18-58, Sacramento, CA 95814. During the 45 day comment period, written comments may also be E-mailed to: [DORRegulations@consvr.ca.gov](mailto:DORRegulations@consvr.ca.gov)

PUBLIC HEARINGS SCHEDULED. The hearings will begin promptly at 10:00 a.m. and will adjourn immediately after hearing the last public comment by those individuals present. The conference rooms are wheelchair accessible. The public hearings to record public comments on the proposed amended regulations are scheduled for:

July 11, 2000 at 10:00 a.m.: Health Services, 2151 Berkeley Way, Room 122 Berkeley, CA 94704.

July 12, 2000 at 10:00 a.m.: State Building, 2550 Mariposa Mall, Room 1007, Fresno, CA 93721.

July 13, 2000 at 10:00 a.m.: State Building, 6150 Van Nuys Boulevard, Room 135, Van Nuys, CA 91401.

July 14, 2000 at 10:00 a.m.: State Building, 1350 Front Street, Room B-103, San Diego, CA 92101.

July 25, 2000 at 10:00 a.m.: Cal Trans, 1657 Riverside Drive, Room 107, Redding, CA 96001.

August 7, 2000 at 10:00 a.m.: The Renaissance Tower, 801 K Street, 20<sup>th</sup> Floor Conference Room, Sacramento, CA 95814.

SUBSTANTIAL REVISIONS WILL REQUIRE A RENOTICE. Following the public hearings, the Department will adopt the regulations without further notice. However, if

the Department chooses to substantially alter or revise the proposed regulatory action, a revised notice, called a renote, and the amended version of the proposed text of the regulations will be made available to the public for another public comment period for fifteen (15) days. Only persons who have provided their names and addresses to the Department and were present at the hearings, submitted written or oral comments, or requested notification of amendments to the regulations, will be sent any renotes.

## INFORMATIVE DIGEST

SB 332 (Chapter 815, Statutes of 1999) amends the definition of “beverage” to expand the scope of the beverage container recycling program to specifically include noncarbonated water and mineral water, noncarbonated soft drinks and “sport” drinks, coffee and tea drinks, and noncarbonated fruit drinks that contain any percentage of fruit juice in the program, while specifically excluding milk, infant formula and medical food from the program. Definitions of these terms are needed to clearly identify which beverages are included or excluded from the recycling program. The bill amends and extends the period for payment of redemption payments by distributors of beer and malt beverages. The bill also amends the amount of administrative fees that may be claimed by distributors, recycling centers and curbside programs. In addition, the bill creates various new programs, including neighborhood dropoff programs, nonprofit convenience zone recyclers and rural recycling opportunities.

### Section 14504 Definition of a Beverage

SB 332 expands the scope of the program to include noncarbonated water and mineral water, noncarbonated soft drinks and “sport” drinks, coffee and tea drinks, and noncarbonated fruit drinks that contain any percentage of fruit juice. The bill retains the exception to wine, and expressly excludes “milk, medical food, or infant formula” and 100% fruit juice in containers 46 ounces or larger. A beverage must also be packaged in an aluminum, glass, plastic or bimetal container.

### Section 14514.4.1 Neighborhood Dropoff Program

SB 332 creates a new category of dropoff or collection program. The bill establishes “Neighborhood Dropoff Programs” in rural regions, which will be eligible to receive supplemental payments currently paid to curbside programs.

### Section 14514.7 Nonprofit Convenience Zone Recycler

SB 332 establishes “Nonprofit Convenience Zone Recycler”. Nonprofit Convenience Zone Recyclers are eligible to receive handling fees.

### Section 14525.5.1 Rural Region Recycler

SB 332 establishes “Rural Region Recycler”. Rural Region Recyclers are eligible to receive handling fees.

#### Section 14573 and 14574 Administrative Fees/Costs

SB 332 increases the administrative fees/cost amounts as they apply to distributors, recycling centers and curbside programs. In order to conform to statute, the proposed regulations will be amended as follows:

Distributors - The amount distributors will be allowed to retain to cover administrative costs increases from ½ of one percent to 1 percent of their total redemption payment.

Recycling centers and curbside programs - The amount recycling centers, dropoff or collection, and curbside programs receive from processors increases from ½ of one percent to ¾ of one percent of the total refund value paid.

#### Section 14574 Beer and Other Malt Beverage Distributors

Distributors of beverages subject to the Beverage Container Recycling and Litter Reduction Act (Act), are required to report and pay redemption value for each beverage container sold or transferred within California. The passage of SB 332 changes when distributors of beer and other malt beverages are required to report and make payments to the Division. Current regulations for payment and reporting require payment be made to the Division no later than the first day of the second month following the date of sale or transfer. SB 332 changes the time period for when beer and malt beverage distributors must report and pay to the last day of the third month following the month of sales. All other beverage distributors of beverages subject to the Act are required by statute to pay within 40 days of any sale, in the form or manner which the department may prescribe.

#### AUTHORITY

These regulations are submitted pursuant to the Department's authority under Public Resources Code Sections, 14530.5 and 14536.

#### REFERENCE

Public Resources Code Sections, 14504, 14514.4.1, 14514.7, 14519.5, 14525.5.1, 14538, 14539, 14561, 14573.5 and 14574,

#### LOCAL MANDATE

The Department has determined that the proposed action imposes no mandate upon local agencies or school district and therefore requires no reimbursement pursuant to Section 17561 of the Government Code.

#### COST ESTIMATES

The action proposed does not impose any cost or savings to any State agency because the implementation of the Act is financed by the program itself. The Department has also determined that the proposed action causes no significant costs or savings to



local agencies or school districts, and no reimbursement is required under Government Code Section 17561. The proposal does not impose any other nondiscretionary cost or savings upon local agencies, nor does it affect federal funding to the State. Finally, the Department has determined that the proposed action will have no impact on housing costs.

#### ALTERNATIVE STATEMENT

The Department must determine that no alternative considered by the agency would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private parties than the proposed action.

#### ASSESSMENT OF POTENTIAL ADVERSE ECONOMIC IMPACT ON BUSINESS/PRIVATE PERSONS

The Department has determined that these proposed regulations will have no adverse economic impact on businesses or individuals, including the ability of California businesses to compete with businesses in other states. The Department has determined that the proposed action will not have a significant cost impact on private persons or businesses that are directly affected by the proposed regulations.

#### PLAIN ENGLISH DETERMINATION

The Department has determined that the proposed regulations affect small business and are written in plain English. The express terms of the proposed action written in plain English are available from the agency contact person named in this notice.

#### CALIFORNIA SOCIOECONOMIC IMPACT STATEMENT

The proposed regulations will not have an impact on the expansion, elimination, or creation of California jobs in the recycling industry.

#### FEDERAL REGULATIONS / STATUTE IMPACT

The proposed regulations do not affect any Federal regulations or statutes. The Department's review of the Solid Waste Disposal Act and Code of Federal Regulations indicates no related similarities or differences.

ASSESSMENT REGARDING THE CREATION  
OR ELIMINATION OF JOBS IN CALIFORNIA

The agency has determined that the adoption of these regulations will not: (1) create or eliminate jobs within California, (2) create new businesses or eliminate existing businesses within California, or (3) affect the expansion of businesses currently doing business within California.

6/13/2000  
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TITLE 14. NATURAL RESOURCES  
DIVISION 2. DEPARTMENT OF CONSERVATION  
CHAPTER 5. DIVISION OF RECYCLING

SUBCHAPTER 1. DEFINITIONS

Legend:

Underline: Proposed Permanent Additions  
~~Strikeout:~~ Proposed Permanent Deletions

§2000. DEFINITIONS.

(a) In addition to the definitions provided in the California Beverage Container Recycling and Litter Reduction Act, except for subdivisions (a)(3.1), (10), (20), (21), (35), (37), (38), (40) and (42) below which modify definitions in the Act for purposes of these regulations, the following definitions shall apply whenever the terms are used in this chapter.

(1) "Act" means the California Beverage Container Recycling and Litter Reduction Act (Division 12.1 of the Public Resources Code).

(2) "Administrative Costs" means the cost of recordkeeping and accounting required of curbside programs, distributors, recycling centers and processors to comply with the requirements of the Act and these regulations.

(2.1) "Amended Processor Invoice" means an invoice submitted by a processor correcting an original report that has been processed and paid.

(2.2) "Amended Shipping Report" means a shipping report submitted by a processor correcting an original shipping report that has been processed and paid.

(2.5) "Alternative Methodology" means an individual commingled rate survey methodology, which either employs the Division's methodology with variations or creates a proposed methodology for the dropoff or collection, community service or curbside programs to arrive at an individual commingled rate.

(3) "Applicant" means the person(s) who has authority to legally bind the operator to a contract.

(3.1) "Beneficiating Processor" means any processor certified by the department who sells cullet to another certified processor or to a glass container manufacturer during the three months preceding the month in which scrap value data is reported to the Division and who beneficiates purchased cullet so that the cullet either:

(A) meets the American Society for Testing and Materials (ASTM) standard specification for waste glass as a raw material for the manufacture of glass containers [E708-79 (Reapproved 1988) Standard Specification for Waste Glass As A Raw Material For The Manufacture of Glass Containers. Current Edition Approved Nov. 30, 1979: published January 1980, see appendix A]; or

(B) is free from nonglass contaminants and non-container glass compositions, cleansed, crushed to size, free-flowing with minimum water content, absent of hazardous

material residue and passes furnace ready sampling and testing methods of a purchasing glass container manufacturer.

(C) Notwithstanding the other provisions of this section, any certified processor shall not be considered a beneficiating processor if fifty percent (50%) or more of the cullet purchased by that processor during the survey month in which the scrap value data is reported was purchased as beneficiated cullet .

(3.2) “Beverage manufacturer” shall have the same definition as provided in Public Resources Code section 14506, and “any person ... who imports”, as provided in that section, shall include, in the following order of preference:

(A) Any consignee of filled beverage containers brought into this State from without this State, when the filled beverage containers are for delivery, use, or sale within this State.

(B) Any person or entity to whom delivery is first made in this State of filled beverage containers brought into this State from without this State, when the filled beverage containers are for delivery, use, or sale within this State.

(C) Any person or entity bringing filled beverage containers into this State from without this State which are not consigned to any person, when the filled beverage containers are for delivery, use, or sale within this State.

(4) "Cancellation" means the act of removing the refund value of an empty beverage container by any of the following actions:

(A) Aluminum empty beverage containers shall be deemed canceled when such containers can no longer be physically reconstituted or distinguished as container units. Except as provided in section 2110(b), this may be accomplished by shredding or densification to thirty pounds per cubic foot or more.

(B) Glass empty beverage containers shall be deemed canceled when such containers have been substantially cleaned of non-glass contaminants and they are crushed size in such a manner as to be acceptable without further processing by a willing user.

(C) Plastic empty beverage containers shall be deemed canceled when the original form has been so altered as to make its reconstitution physically impossible.

(D) Bimetal empty beverage containers shall be deemed canceled by densification sufficient to ensure that separation of a single container is no longer possible, or by shredding, milling, or nuggeting.

(E) Any empty beverage container shall be deemed canceled when it is permanently exported from the State and export verified in accordance with subsections 2420(d)(1), (2) and (3) of these regulations provided that, if aluminum beverage containers, they are first densified to no less than 15 pounds per cubic foot, or shredded.

(F) Any empty beverage container shall be deemed canceled when it is delivered to a location of end use and the delivery verified in accordance with subsections 2420(d)(1), (2) and (3) of these regulations provided that the following requirements are met:

1. aluminum beverage containers are first densified to not less than 15 pounds per cubic foot, or shredded.

2. glass beverage containers are delivered to a location of end use, which includes a beneficiating processor, as defined in Public Resources Code section 14503.6.

(5) "Category" means the classification of operation, i.e., processor, recycling center, grandfathered recycling center, dropoff or collection program, or community service program.

(6) "Certificate" means the official document issued by the Division which identifies an operator of a recycling center, dropoff or collection program, community service program or processing facility as meeting the requirements for certification by the Division.

(7) "Certified" means an operator of a recycling center, dropoff or collection program, community service program or processing facility has met the minimum requirements established by the Division to receive the certificate defined in (6) above.

(8) "Certification Sign" means a sign or decal issued by the Division for display which identifies the operator of a recycling center as meeting the requirements for certification by the Division.

(9) "Clearly and Prominently" means that the redemption message is displayed so that it is easily found and read by consumers and recyclers. Each letter comprising the message is complete, legible, and cannot be readily obscured. Other factors include boldness, width, spacing, and location of lettering. The message must be distinguishable from refund messages of other states.

(9.5) "Close proximity" means the area within, or adjacent to, a convenience zone, as determined by the Division on a case-by-case basis considering geographic and demographic factors, and consumer convenience.

(10) "Commingled" means a mix of empty beverage containers and other containers of the same material type. Any broken glass empty beverage container(s) purchased from consumers, dropoff or collection programs, or community service programs shall be deemed commingled. Any broken or partial beverage container(s) shall not be included when performing a survey methodology to arrive at an individual commingled rate or statewide average commingled rate. Dropoff or collection, curbside and community service programs' individual commingled rate shall be determined pursuant to subsection 2620 through 2645, 2660 through 2685, and 2720 through 2745, respectively. The statewide average commingled rates shall be determined by the Division pursuant to subsections 2900(a)(1)(B) and section 2930 of these regulations.

(11) "Community Service Program" means a program, certified by the Division, which does not pay a refund value and accepts or collects empty beverage containers at a specific location or locations and meets one of the following criteria:

(A) The program is organized under Section 501(c) or 501(d) of the Internal Revenue Code [26 U.S.C. 501(c) and 501(d)], or

(B) The program is a charitable group organized under Section 23701 of the California Revenue and Taxation Code, or

(C) The program is operated by, or caused to be operated by, a city, county or other public agency.

(11.1) "Consolidated Shipping Report" documents the delivery and receipt of material for processors or recycling centers that operate multiple recycling centers or receive material from dropoff or collection programs, community service programs, or curbside programs and is prepared pursuant to subsection 2090(f) of these regulations.

(12) "Contrasting Colors" as used in reference to the redemption message lettering means a clear differentiation in hue, value, and intensity with the background on which the redemption message appears, surrounding artwork, and other nearby printed information.

(13) "Days" means all calendar days unless provided otherwise.

(14) "Delivered" or "Delivery", as used in subchapters 5 & 6 of these regulations, means physically taking possession of the material.

(15) "Dual Certified Entity" means any person who is certified as a processor and also a recycling center at the same location as the processor.

(16) "Densification" means the process of compressing material for the purpose of increasing the weight to volume ratio.

(17) "Disposal Cost" means the transportation cost for hauling postfilled beverage container types to a state-permitted disposal site (landfill, incinerator, or other type of state-permitted site), plus the specified disposal fee.

(18) "Division" means the Division of Recycling which is within the Department of Conservation.

(19) "Division Chief" means the Assistant Director for Recycling.

(20) "Dropoff or Collection Program" means a recycling program which does not pay refund value and accepts or collects empty beverage containers, and which cannot qualify as a curbside program as defined in Section 14509.5 of the Act. "Dropoff or Collection Program" also means a program which separates recyclables from mixed municipal waste. "Dropoff or Collection Program" does not mean a program which accepts or collects recyclable materials which have already been separated from mixed municipal waste. Dropoff or Collection Program includes a Neighborhood Dropoff Program which meets all of the criteria in Section 14514.4.1 of the Act.

(21) "Empty Beverage Container" means a beverage container which meets all the requirements in Section 14512 of the Act except that such term does not include refillable beverage containers.

(22) "Exemption" means an exclusion to the requirement that a recycling center must be established in a convenience zone.

(22.5) "Exempt convenience zone" or "Exempt zone" means a convenience zone which has been granted an exemption pursuant to Section 14571.8 of the Act.

(23) "Exporting" means the act of sending a filled or unfilled empty beverage container or empty beverage container component permanently out of this State.

(24) "Facility" means a recycling or processing operation that has been built, installed or established to serve as a collection or processing point for redeemable beverage containers.

(25) "Grandfathered" is a term which refers to recycling centers that meet the requirements of section 2500(c) of these regulations.

(26) "Importing" means the act of bringing into this State a filled or unfilled empty beverage container or empty beverage container component.

(27) "Indelibly" means that the redemption message is permanently affixed on the beverage container from the point of purchase until the point of redemption and cannot be smeared or removed during regular use.

(27.1) "Individual Commingled Rate" means a commingled rate approved by the Division which is applicable to dropoff or collection, community service, or curbside programs, which have obtained prior approval from the Division.

(27.3) "Infant Formula" means any liquid food described or sold as an alternative for human milk for the feeding of infants.

(27.5) "Interested person" means a supermarket, dealer, certified recycling center, person with a pending certification application, located in or in close proximity to the zone under consideration for an exemption or revocation of an exemption, or a local government agency with jurisdiction over the area where the zone under consideration for an exemption or revocation is located.

(27.6) "Line Breakage," for purposes of these regulations, means preconsumer material that is recycled or disposed of by a container manufacturer, beverage manufacturer, distributor, or dealer.

(27.7) "Letter of Denial" (LED) means a notice sent to program participants denying requests to conduct an individual commingled rate survey or denying approval of an individual commingled rate for reason(s) indicated in the LED.

(28) "Location" means the street address where the facility operates.

(29) "Location of End Use" means the place where beverage containers or materials are physically reconstituted for purposes other than sorting, shredding, stripping, compressing, storing, landfilling, disposing, or other activities which do not result in recycling.

(29.5) "Low volume" means an average monthly volume, as defined at Section 14503.5 of the Act, which is less than the statewide average monthly volume of recycling centers in convenience zones. Average monthly volumes shall be calculated annually and shall apply during the calendar year immediately following the calculation.

(30) "Material" means the physical substance used to manufacture a beverage container or food and drink package including, but not limited to, aluminum, bimetal, glass, and plastic.

(30.5) "Medical Food" must state on the label that the product is intended to be used to manage a specific medical disorder or health condition. Medical food is not meant to be used by the general public and does not include reduced-fat foods, low-sodium, weight gain or weight loss products.

(30.7) "Milk" is dairy milk or flavored milk such as chocolate milk, and rice milk, soy milk and any other grain, vegetable or nut milk labeled as milk.

(31) "Minimum Lettering Size" is applicable to the height of all the letters in the redemption message.

(32) "Nonaffiliated seller" means any person who sells scrap beverage container material types to a certified processor and is neither owned nor managed in common with such processor.

(32.3) "Noncarbonated soft drink" is a nonalcoholic, noncarbonated naturally or artificially flavored water containing sugar or sweetener(s) and/or trace amounts of various elements from both natural and synthetic sources.

(32.44) "Notice of Denial" (NOD) means a notice sent to program participants denying requests for program payments, including handling fees, for reason(s) indicated

on the notice. Handling fee notices will be sent for each denied site and will explain why the site was denied during a particular month.

(33) "Operator" means the person(s) or entity who has ultimate responsibility for a recycling facility, processing facility, dropoff or collection program, or community service program.

(34) "Person" means an individual, corporation, operation, or other entity, regardless of its form, subject to the Act.

(35) "Processor" means any person, including a scrap dealer, who purchases or offers to purchase empty beverage containers from more than one recycling center in this state and is responsible for canceling empty beverage container(s) in a manner prescribed in section 2000(a)(4) of these regulations.

(35.1) "Processor Invoice" means the report required in section 2425 of these regulations which the Department uses to determine payment to a certified processor.

(36) "Public Agency" means the city, county, district or other government entity which operates a curbside program or which has the authority to approve or acknowledge the operation of a curbside program.

(36.5) "Recycling Center" means those operations defined in Section 14520 of the Act and includes "Nonprofit Convenience Zone Recycler" as defined in Section 14514.7 of the Act and "Rural Region Recycler" as defined in Section 14525.5.1 of the Act.

(37) "Redeem" means to return an empty beverage container which is identified with "CA Redemption Value", "California Redemption Value", "CA Cash Refund", or "California Cash Refund" (in compliance with section 2200 of these regulations) to a certified recycling or processing facility and receive refund value for the container.

(38) "Redeemable Beverage Container" means a container identified with "CA Redemption Value", "California Redemption Value", "CA Cash Refund", or "California Cash Refund" (in compliance with section 2200 of these regulations) which has an established refund value.

(39) "Redemption Weight" is the weight of empty California redemption-labeled beverage containers.

(40) "Refund Value" means, in addition to the definition provided in Section 14524 of the Act, any amount paid by a noncertified recycler, dropoff or collection program, or community service program or any payments received by a noncertified recycler, in excess of:

(A) For aluminum, the scrap price as listed in the American Metal Market publication.

(B) For glass, plastic and bimetal, the portion of the processing payment which are the costs for the recycler, as determined by the Division pursuant to Section 14575 of the Act.

(41) "Rejected Container" means a California redemption-labeled beverage container, which a container manufacturer or beverage manufacturer elects to recycle or dispose of without paying any applicable processing fee, or which a distributor elects to recycle or dispose of without paying the redemption payment. "Rejected containers" includes container tops, lids, or other components which contain the "CA Redemption Value", "California Redemption Value", "California Cash Refund" or "CA Cash Refund" message.



(41.05) "Representation of Materials" means a typical collection of commingled container materials, of the same material type, representing a ratio of empty beverage containers and all other containers collected by the program and surveyed by the operator to determine an individual commingled rate for dropoff or collection, community service, or curbside programs.

(41.1) "Rural Region" means a non-urban area identified by the Division on an annual basis using Farmers Home Administration criteria. Such criteria for area include, but are not limited to, places, open country, cities, towns, or census designated places with populations less than 10,000. Areas with populations between 10,000 and 50,000 may be designated as rural unless identified as part of, or associated with, urban areas, as determined by the Department on a case by case basis.

(41.2) "Scrap", for purposes of these regulations, is any recyclable container, including food or drink packaging material, other beverage containers, other nonredeemable containers, out-of-state beverage containers, line breakage or rejected containers, of the same material composition as redeemable containers covered by the Act.

(42) "Scrap Value" is the total net payment per ton to any nonaffiliated seller in each of the following categories: Certified recycling centers, dropoff or collection programs, community service programs, registered curbside programs, and certified processors, for container material types.

(43) "Segregated" means divided by material type and that such divided load consists of 100% California Refund Value material.

(44) "Shipping Report" is the documentation of the receipt of material by a processor, or by a recycling center from another recycling center, dropoff or collection program, community service program, or curbside program. The shipping report is the basis for payments by the Division pursuant to Section 14573 of the Act.

(45) "Shrinkage" means the reduced value due to contamination of empty beverage containers by dirt, moisture, or other foreign substances.

(46) "Size" means the capacity of the beverage container in fluid ounces.

(47) "Statistical Sample" means an estimate with an 85% confidence level.

(47.1) "Supplemental Processor Invoice" means:

(A) A report to correct any shipping report(s) denied on the original processor invoice and/or

(B) A report to add any shipping report(s) to the original processor invoice for transactions that occurred within the same specific reporting period.

(47.2) "Total Net Payment", as used in subparagraph (a)(42) of this section and section 2425, means the amount paid for the reported monthly weight after deductions (e.g., transportation service) and additions (e.g., freight allowance) pertinent to the specific sales transaction have been made. "Total net payment" includes positive, zero and negative dollar amounts, as applicable. This subsection is not intended to relieve a processor of its obligation to pay refund value, administrative and processing payments pursuant to Sections 14539(b)(3) of the Act and sections 2400 and 2430 of this chapter.

(47.3) "Urban Area" means an area identified by the Division on an annual basis using Farmers Home Administration criteria. Such criteria for area include, but are not limited to, densely settled areas of continuous residential development with minimum

population of 50,000. Areas with populations less than 50,000 and greater than 10,000 may

be designated as urban unless identified as part of, or associated with, rural areas, as determined by the Department on a case by case basis.

(48) "Working Days" means all days except Saturdays, Sundays, and official California State Holidays.

(49) "Zonemate" means a supermarket which lies within the boundaries of a convenience zone other than the one that it creates.

Authority: Sections 14530.5(b), 14536(b), and 14536.1, Public Resources Code. Reference: Sections 14500, 14501(f), 14503, 14503.6, 14504, 14505, 14506.5, 14509.5(b), 14511.7, 14512, 14512.5, 14513, 14514, 14514.4.1, 14514.7, 14517, 14518, 14518.5, 14519.5, 14520, 14520.5, 14520.6, 14522.5, 14524, 14525.5.1, 14526, 14530, 14530.2, 14530.5(b), 14536(a), 14537, 14538, 14539, 14550, 14552, 14561, 14571.2, 14571.8(b), 14572, 14573, 14573.5, 14573.51, 14574, 14575(a) and (b), Public Resources Code.

## SUBCHAPTER 2. GENERAL REQUIREMENTS

### Article 2. Content of Certification Applications

#### §2045 APPLICATIONS FOR RECYCLING CENTERS AND PROCESSORS.

(a) To be considered complete, applications (see Figures 1, 2, 3, and 4) shall contain the following information:

(1) The category of certification requested

(2) The contact person, business address, mailing address, and telephone number of the organization.

(3) The type of organization which is requesting certification.

(A) If the organization is an individual doing or proposing to do business under a different name, the applicant shall provide a copy of any fictitious business name statement.

(B) If the organization is a partnership, the applicant shall provide a copy of the current partnership agreement and any fictitious business name statement.

(C) If the organization is a corporation, the applicant shall provide the corporate number and Articles of Incorporation and name and position of all current corporate officers as filed with the Secretary of State, any fictitious business name statement and the agent for service of process.

(D) If the organization is a corporation from a state other than California, the applicant shall provide a copy of the approved certificate from the California Secretary of State qualifying and authorizing the corporation to transact business in California.

(E) If the organization is a husband and wife co-ownership, the applicant shall provide both names and any fictitious business name statement.

(F) If the organization is a local government agency, the applicant shall provide a copy of the authorizing resolution from the governing board.

(G) If the organization is a limited liability company (LLC), the applicant shall provide a copy of the Articles of Organization and Statement of Information as filed with the Secretary of State, any operating agreement, any fictitious business name statement, and the agent for service of process.

(H) If the organization is a limited liability company from a state other than California, the applicant shall provide a copy of their certificate from the California Secretary of State authorizing the LLC to transact business in California.

(4) The federal identification number (employer ID number) of the organization.

(5) A history of past and pending certifications requested from the Division.

(6) The name, address, and phone number (if applicable) of the recycling center, or processing facility.

(7) The physical location of the facility in relation to the nearest cross street.

(8) The name, address and phone number of the owner or leaseholder, if applicable, of the facility premises.

(A) If the applicant owns the property, a current mortgage statement or a current tax bill which specifically identifies the organization name and the facility location.

(B) If applicant is leasing, renting, or operating on donated space, a signed copy of a current lease, rental agreement or written permission from the property owner or leaseholder who has authority to determine use of the specific property shall be provided.

(9) Processors shall provide the actual days and hours open for business if a regular schedule is maintained or, if a regular schedule is not maintained, processors shall indicate that they transact business by appointment only. This is for informational purposes only and does not subject processors to the fine and penalty provisions of the Act.

(10) Recycling centers shall provide the actual days and hours open for business.

(A) For recycling centers which are staffed, "actual days and hours open for business" shall be those days and hours where staff are scheduled to be present and do not include lunch breaks.

(B) For recycling centers which consist of reverse vending machines, "actual days and hours open for business" shall include all of the following:

1. The days and hours when the machine is scheduled to be in operation, and
2. The days and hours when beverage containers which are odd-sized or made from materials other than aluminum, glass and plastic will be redeemed, and
3. The days and hours when any beverage containers not accepted by the reverse vending machine will be redeemed by the host dealer.

(11) With the exception of recycling centers which meet the criteria for grandfathering and processors, acknowledgment that the organization agrees to accept and redeem all types of redeemable beverage containers.

(12) For recycling centers, a general description of the methods used to collect, store and/or cancel redeemed beverage containers. This shall include, but is not limited to, the types of equipment and/or receptacles used and the staffing.

(13) For recycling centers, the organization shall indicate if applying as a rural region recycler or a nonprofit convenience zone recycler.

~~(13)~~ (14) Recycling centers which consist of reverse vending machines shall specify a method for redeeming empty beverage containers which are odd-sized, made

from materials other than aluminum, glass and plastic, or otherwise not accepted by the reverse

vending machine. In determining whether the method is acceptable, the Division shall consider, but not be limited to, the following:

(A) Convenience to the public,

(B) Volume of containers sold, and

(C) Size and shape of containers

~~(14)~~ (15) For processors, the type(s) of beverage container which will be accepted.

~~(15)~~ (16) Processors shall describe which of the acceptable methods prescribed in section 2000(a)(4) of these regulations will be used to cancel redeemable beverage containers.

~~(16)~~ (17) The name, residence address, including city and zip code, and residence phone number of the applicant. Programs operated by limited liability companies, corporations or governmental agencies are exempt from this provision.

~~(17)~~ (18) For an organization seeking certification of a recycling center located on federal land, a written authorization from an authorized agent of the federal government which will allow inspectors from the Division to enter the federal property for the purposes of conducting audits and unannounced inspections of the recycling center, pursuant to section 2125 of these regulations.

~~(18)~~ (19) For organizations requesting certification to operate a grandfathered facility, evidence that the recycling center was in operation on January 1, 1986, and the types of beverage containers accepted on that date.

(b) The application shall be submitted on a form entitled, "Certification Application, Recycling Centers and Processors," DOR 6/93 6, Rev. ~~2/99~~ 10/99 provided by the Division and signed by the applicant under penalty of perjury. The signature block shall contain an affidavit that the information in the application is true and that the organization agrees to operate in compliance with the Act and these regulations.

(1) If the organization is a partnership, the application shall be signed by each partner.

(2) If the organization is a firm, association, corporation, county, city, public agency or other governmental entity, the application shall be signed by the chief executive officer or the individual with authority to legally bind said entity to a contract.

(3) If the organization is a husband and wife co-ownership, the application shall be signed by both the husband and wife.

(4) If the organization is a limited liability company, the application shall be signed by a managing member, Executive Officer, or other designated member with the authority to legally bind the limited liability company to a contract.

(5) The applicant shall provide the drivers license number of the applicant for identification purposes.

(c) An organization seeking certification to operate a recycling center as a nonprofit convenience zone recycler shall provide written documentation showing that its organization was established under Section 501(c) or 501(d) of Title 26 of the United States Code.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Sections 14514.7, 14515.6, 14538, 14539, 14540 and 14571(a), (b) and (d), Public Resources Code.

**§2055 APPLICATIONS FOR DROPOFF OR COLLECTION PROGRAMS AND COMMUNITY SERVICE PROGRAMS.**

(a) To be considered complete, applications (See Figures 5, 6 and 7) shall contain the following information:

(1) The contact person, title, organization name, business address, mailing address and daytime telephone number of the person, association, corporation, church, club or other organization requesting certification.

(2) The types of organization which is requesting certification.

(A) If the organization is an individual doing or proposing to do business under a different name, the applicant shall provide a copy of ~~the~~ any fictitious business name statement.

(B) If the organization is a partnership, the applicant shall provide a copy of the current partnership agreement and any fictitious business name statement.

(C) If the organization is a corporation, the applicant shall provide the corporate number and Articles of Incorporation and name and position of all current corporate officers, as filed with the Secretary of State, any fictitious business name statement, and the agent for service of process.

(D) If the organization is a corporation from a state other than California, the applicant shall provide a copy of the approved certificate from the California Secretary of State qualifying and authorizing the corporation to transact business in California.

(E) If the organization is a husband and wife co-ownership, the applicant shall provide both names and any fictitious business name statement.

(F) If the organization is a local government agency, the applicant shall provide a copy of the authorizing resolution from the governing board.

(G) If the organization is a limited liability company (LLC), the applicant shall provide a copy of the Articles of Organization and Statement of Information as filed with the Secretary of State, the operating agreement, any fictitious business name statement, and the agent for service of process.

(H) If the organization is a limited liability company from a state other than California, the applicant shall provide a copy of their certificate from the California Secretary of State authorizing the LLC to transact business in California.

(3) The federal identification number (employer ID number) of the organization.

(4) A history of past and pending certifications requested from the Division.

(5) The name of the program, if different from the organization name (i.e., association, corporation, church, club or other organization).

(6) The types of empty beverage containers collected or accepted.

(7) A description of the recycling program demonstrating it meets the criteria for a dropoff or collection program as defined in sections 2000(a)(20) or a community service program as defined in section 2000(a)(11) of these regulations.

(8) If seeking certification as a neighborhood dropoff program, the applicant shall so state.

~~(8)~~ (9) If the program separates beverage containers from mixed municipal waste, a copy of the current permit or formal acknowledgment from the local government agency.

~~(9)~~ (10) The number and location of any dropoff sites.

~~(10)~~ (11) If applicable, the business name, address, contact person's name and telephone number of three (3) bars, restaurants, hotels or motels, or other commercial or industrial establishments, from which the organization collects empty beverage containers.

~~(11)~~ (12) The name, residence address, including city and zip code, and residence phone number of the applicant. Programs operated by limited liability companies, corporations or governmental agencies are exempt from this provision.

~~(12)~~ (13) The application shall be submitted on a form entitled, "Certification Application, Dropoff or Collection Programs and Community Service Programs," DOR 6/93 7, Rev. ~~2/99~~ 10/99 provided by the Division and signed by the applicant under penalty of perjury.

(A) The signature block shall contain an affidavit that the information in the application is true and that the organization agrees to operate in compliance with the Act and these regulations.

(B) If the organization is a partnership, the application shall be signed by each partner.

(C) If the organization is a firm, association, corporation, county, city, public agency or other governmental entity, the application shall be signed by the chief executive officer or the individual with authority to legally bind said entity to a contract.

(D) If the organization is a husband and wife co-ownership, the application shall be signed by both the husband and wife.

(E) If the organization is a limited liability company, the application shall be signed by a managing member, Executive Officer, or other designated member with the authority to legally bind the limited liability company to a contract.

(F) The applicant shall provide the vehicle license number and driver license number of the applicant for identification purposes.

~~(13)~~ (14) For an organization seeking certification of a dropoff or collection program located on federal land, a written authorization from an authorized agent of the federal government which will allow inspectors from the Division to enter the federal property for the purpose of conducting audits and unannounced inspections of the dropoff or collection program, pursuant to section 2125 of these regulations.

(b) An organization seeking designation as a neighborhood dropoff program shall provide:

(1) An area map noting the dropoff locations included in the program; and

(2) The specific address of each dropoff location included in the program.

Authority: Section 14530.5(b) and 14536(b), Public Resources Code. Reference: Section 14511.7 and 14514.4.1, Public Resources Code.

### SUBCHAPTER 3. MANUFACTURERS

Article 1. Labeling

§2200. LABELING REQUIRED.

(a) A beverage manufacturer shall indicate on every nonrefillable beverage container sold or offered for sale in the state by the beverage manufacturer the words "California Redemption Value", "CA Redemption Value", "California Cash Refund", or "CA Cash Refund."

(1) All nonrefillable beverage containers sold, on and after the effective date of inclusion under the Act, by any person to a distributor, dealer, or consumer shall be labeled in accordance with this section.

(b) Beverage containers shall be clearly, prominently, and indelibly marked as indicated in subsection (a) by painting, printing, scratch embossing, or raised letter embossing, in the specific manner indicated in paragraphs (1) and (2):

(1) Metal containers shall be marked on the top end of the container in minimum lettering size at least 3/16 inch in height. Metal containers with a top lid of two inches or less in diameter shall have a minimum lettering size of at least 1/8 inch in height.

(A) Scratch embossed lettering shall be of a minimum width of 0.004 inch of disturbed surface metal.

(2) Glass containers and plastic containers shall be free of notations resembling "No Deposit - No Return", and shall be marked either:

(A) Along the bottom edge of the container body label in minimum lettering size at least 3/16 inch in height;

(B) On or in a secondary label in minimum lettering size at least 3/16 inch in height;

(C) On a container body label or secondary label with contrasting colors with legible lettering in minimum lettering size at least 1/8 inch in height. Contrasting colors shall direct the reader to the message required in subsection (a).

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14504(c), 14561, 14530.5 and 14536, Public Resources Code.

Article 3. Accounting and Reporting Requirements for Beverage Manufacturers

§2235. RECORDKEEPING.

A beverage manufacturer shall maintain the following records in accordance with the general requirements set forth in section 2085 of subchapter 2 of these regulations.

(a) Transactions with a Container Manufacturer. A beverage manufacturer shall maintain the following records evidencing the receipt of beverage containers or components thereof. Such records shall include all bills of lading, other shipping documents, and the following information:

(1) Date of receipt of shipment;

(2) Quantity, material type, size, and component type, if applicable, of beverage containers or components in shipment;

(3) Full name and address of shipper; and

(4) Canceled checks or other proof of payment (receipts), invoices, and statements regarding container manufacturers' payment or credit for processing fees pursuant to the Act.

(b) Rejected Containers. A beverage manufacturer shall maintain records of any recycling, processing, or other disposition of rejected containers and any payments therefor. These records shall include receipts or statements signed by the recycling center, processor, or other recipient. Such receipts or statements shall state the weight by material type of rejected containers and any payment made or credit granted therefor.

(c) Sales and Transfers of Beverage Containers by a Beverage Manufacturer. A beverage manufacturer shall maintain records, by individual sale or transfer, of all sales or transfers of beverage containers to distributors, dealers, or consumers, and any payments made therefor. The records shall include all of the following:

- (1) The number, by material type, of beverage containers sold or transferred to dealers, distributors, or consumers;
- (2) The date of the sale or transfer;
- (3) The full name and address of the buyer or other transferee, and shipping name and address if different; and
- (4) Proof of payment for the beverage containers sold or transferred, such as invoices and statements.

(d) Processing Fee Report Records. A beverage manufacturer shall retain a copy of the Beverage Manufacturer Report, DR-4 ~~(10/95)~~ (1/00) submitted to the Division pursuant to section 2240 of this subchapter, and proof of payment and receipts for processing fee payments made to the Division.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14537, 14541(c) and (d), 14552 and 14575, Public Resources Code.

#### §2240. REPORTING.

For each month during which a processing fee applies to any beverage container material type sold or transferred by a beverage manufacturer, the appropriate beverage manufacturer, as determined by section 2230, shall prepare and submit to the Division the Beverage Manufacturer Report, DR-4 ~~(10/95)~~ (1/00). The DR-4 ~~(10/95)~~ (1/00) shall contain the following information in accordance with the general requirements for reporting as contained in section 2090 of these regulations.

(a) Sales and Transfers of Beverage Containers Subject to a Processing Fee. Each report shall contain all of the following information:

- (1) The beverage manufacturer's name, address, manufacturer identification number, contact person, and telephone number of contact person;
- (2) The reporting period;
- (3) The number of beverage containers, by material type, sold or transferred in or into this state during the reporting period which are subject to a processing fee;
- (4) The amount of the processing fee per beverage container and material type ("unit fee");



(5) The amount of the processing fee payment for each material type, calculated by multiplying the beverage container count for each material type by the applicable processing fee per container;

(6) The amount of the total processing fee payment due, which is equal to the sum of the processing fee payments by material type pursuant to subsection (5); and

(7) The signature of an authorized representative and date signed.

(b) The DR-4 (~~10/95~~) (1/00) shall be submitted no later than the tenth day of the second month following the month of sales. For example, sales of January ~~1996~~ 2000 shall be reported on March 10th, ~~1996~~ 2000, sales of February ~~1996~~ 2000 shall be reported on April 10th, ~~1996~~ 2000, sales of March ~~1996~~ 2000 shall be reported on May 10th, ~~1996~~ 2000, etc.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14552 and 14575, Public Resources Code.

## SUBCHAPTER 4. DISTRIBUTORS

### Article 1. Distributor Requirements

#### §2305. RECORDKEEPING.

A distributor shall maintain the following records by individual sale or transfer and in accordance with the general requirements set forth in section 2085 of subchapter 2 of these regulations.

(a) Receipt of Beverage Containers. A distributor shall maintain records, by individual sale or transfer, of all beverage containers received, including all containers which bear the "CA Redemption Value," "California Redemption Value," "California Cash Refund," or "CA Cash Refund" message. The records shall contain all of the following information:

(1) The quantity received by material type, of beverage containers, including all containers which bear the "CA Redemption Value," "California Redemption Value," "California Cash Refund," or "CA Cash Refund" message;

(2) The full name and address of the beverage manufacturer or other originating person; and

(3) The date the beverage containers, including all containers which bear the "CA Redemption Value," "California Redemption Value," "California Cash Refund," or "CA Cash Refund" message, were received by the distributor.

(b) Sale or Transfer of Beverage Containers. A distributor shall maintain records, by individual sale or transfer, of all beverage containers, including all containers which bear the "CA Redemption Value," "California Redemption Value," "California Cash Refund," or "CA Cash Refund" message, and refillable beverage containers sold or transferred to other distributors, dealers, or consumers. The records shall contain all of the following information:

(1) The quantity by material type of all beverage containers, including all containers which bear the "CA Redemption Value," "California Redemption Value," "California Cash Refund," or "CA Cash Refund" message, and refillable beverage containers;

(2) The full name and address (and the shipping or destination name and address, if different) of the dealer, consumer, or other distributor to whom the beverage containers, including refillable beverage containers and containers which bear the "CA Redemption Value," "California Redemption Value," "California Cash Refund," or "CA Cash Refund" message, were sold or transferred; and

(3) The date(s) the beverage containers, including all the containers which bear the "CA Redemption Value," "California Redemption Value," "California Cash Refund," or "CA Cash Refund" message, and refillable beverage containers, were sold or transferred.

(c) The Distributor Report, DR-3, ~~(1/95)~~(1/00) and Payments to the Division. A distributor shall maintain the DR-3 ~~(1/95)~~(1/00) and payment records prepared pursuant to sections 2310 and 2320 of this subchapter.

(d) Rejected Containers. A distributors shall maintain records of any recycling, processing, or other disposition of rejected containers and any payments therefor. These records shall include receipts or statements signed by the recycling center, processor, or other recipient. Such receipts shall state the weight by material type of the rejected containers and any payment made or credit granted therefor.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14530.5, 14537, 14550(b) and (c), 14561, 14571.9 and 14572.5, Public Resources Code.

#### §2310. REPORTING.

(a) A distributor shall prepare and submit to the Division the Distributor Report, DR-3 ~~(1/95)~~ (1/00) in accordance with the general requirements for reporting contained in section 2090 of these regulations.

(1) The DR-3 ~~(1/95)~~ (1/00) for sales or transfers of all beverage containers, except beer and malt beverage containers, shall be submitted no later than the first tenth day of the second month following the month of sales. For example, sales of January ~~1996~~ 2000 shall be reported on March 10, ~~1996~~ 2000; sales of February ~~1996~~ 2000 shall be reported on April 10, ~~1996~~ 2000; sales of March ~~1996~~ 2000 shall be reported on May 10, ~~1996~~ 2000; etc.

(2) The DR-3 (1/00) for sales or transfers of all beer and malt beverage containers shall be submitted no later than the last day of the third month following the month of sales. For example, sales of January 2000 shall be reported on April 30, 2000; sales of February 2000 shall be reported on May 31, 2000; sales of March 2000 shall be reported on June 30, 2000; etc.

~~(2)~~(3) The DR-3 ~~(1/95)~~ (1/00) shall contain all of the following information:

(A) The distributor's name, address, ~~distributor identification number~~, contact person, and telephone number of the contact person.

(B) The distributor's assigned identification number, specific to the beverage type reported. A report of sales or transfers of beer and malt beverage containers shall

include an assigned identification number with the prefix “DB”. A report of sales or transfers of beverage containers other than beer and malt beverage containers shall include an assigned identification number with the prefix “DS”. A separate DR-3 (1/00) shall be submitted for each “DB” and “DS” identification number.

~~(B)~~ (C) The reporting period;

~~(C)~~ (D) The total number and total empty weight of beverage containers, by material type and size, including all containers which bear the "CA Redemption Value," "California Redemption Value," "California Cash Refund," or "CA Cash Refund" message, sold or transferred;

~~(D)~~ (E) The total number of beverage containers identified in subparagraph (C);

~~(E)~~ (F) Redemption payment and administrative fee:

1. The redemption payment for each material type by size,
2. The total redemption payment,
3. The administrative fee deducted, and
4. The total due to the Division;

~~(F)~~ (G) The total number and total empty weight of refillable beverage containers sold, transferred, and returned to the distributor. Each of these items shall be reported by material type; and

~~(G)~~ (H) The signature of an authorized representative and date signed.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14530.5, 14550 (b) and (c), 14560, 14561, ~~and 14571.9;~~ and 14574, Public Resources Code.

## §2320. PAYMENTS.

(a) The distributor shall pay to the Division the total redemption payment for all beverage containers, including all containers which bear the "CA Redemption Value," "California Redemption Value," "California Cash Refund," or "CA Cash Refund" message, sold or transferred to dealers or consumers, less an administrative fee equal to ~~one half of~~ one percent ~~(1/2%)~~ (1%) of the calculated redemption payment. Notwithstanding any other provisions of this subchapter, this administrative fee shall not be deducted from the calculated redemption payment, if the Division calculates the redemption payment owed by the distributor to the Division.

(b) Redemption Payments. The distributor shall compute total redemption payment, by material type, by multiplying the number of beverage containers, including all containers which bear the "CA Redemption Value," "California Redemption Value," "California Cash Refund," or "CA Cash Refund" message, reported pursuant to section 2310(a), by the currently effective redemption payment per container for that material type. The currently effective redemption payment shall also be applicable for all containers which bear the "CA Redemption Value," "California Redemption Value," "California Cash Refund," or "CA Cash Refund" message.

(c) The redemption payment per container is determined by the Division pursuant to section 14560 of the Act and section 2900(b) of subchapter 12 of these regulations.

(d) The sum of the individual redemption payments by material type computed pursuant to subsection (b), shall equal the total redemption payment for the reporting

period.

(e) Administrative Fee. The administrative fee equals ~~one-half of~~ one percent (~~1/2%~~) (1%) of the total redemption payment computed pursuant to subsection (b).

(f) Total Payment Due. The total payment due to the Division for each reporting period is calculated by subtracting the administrative fee computed pursuant to subsection (e) from the total redemption payment computed pursuant to subsection (b). The distributor shall submit to the Division the total payment due, accompanied by the reports required pursuant to section 2310.

(g) Recycling Center Handling Fee. The distributor shall negotiate a handling fee with each recycling center which returns or causes to be returned empty refillable beer or other refillable malt containers.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14561, 14572.5 and 14574, Public Resources Code.

## SUBCHAPTER 5. PROCESSORS

### Article 3. Accounting and Reporting Requirements

#### §2430. PAYMENTS.

(a) Payments to recycling centers.

(1) Substantiation of payment. The processor shall weigh the material, inspect the material pursuant to Section 2401 of these regulations and compare the total received weight of the material with the shipment of the total redemption weight as set forth in the shipping reports, which shall accompany the shipment of material pursuant to section 2530 of these regulations. If the received weight is sufficient to support the redemption weight claimed by the recycling center, the processor shall pay in accordance with (2)(A) below. If the total received weight is not sufficient to support the redemption weight claimed by the recycling center, the processor shall pay in accordance with (2)(B) or (2)(C) below. The processor shall complete the shipping report as outlined below and shall return an exact duplicate (not a photocopy) of the completed shipping report to the recycling center. The processor shall complete the shipping report by:

(A) weighing and certifying the total received weight of the shipment; and

(B) verifying the calculations on the shipping report, including the calculations of refund value, and processing payments, considering any appropriate adjustments pursuant to (2) below; and

(C) signing and dating the shipping report to verify the receipt of the material as indicated on the report; and

(D) indicating in writing if the material received has been canceled as authorized pursuant to subsection 2110(b) of these regulations.

(E) indicating whether the load is segregated or commingled.

(2) Calculation of payment and fee. Processors shall pay for the lesser of (A) or (B):

(A) all reported refund value paid by the recycling center to consumers or to another certified recycling center, as documented by the shipping report; or

(B) the refund value appropriate for the weight of material actually delivered to the processor. If redemption weight is reduced pursuant to this section, the refund value, and processing payments shall be reduced proportionately.

(C) Notwithstanding subsection (2)(B) above, the refund value, and processing payments shall not be reduced when the redemption weight does not exceed the total received weight by more than two and one-half percent (2 1/2%) of such total received weight. When this weight variance exceeds two and one-half percent (2 1/2%), the refund value and processing payments shall be reduced pursuant to subsection(2)(B) above.

(3) Payments shall also include ~~one-half~~ three-fourths of one percent (~~1/2%~~) (3/4%) of refund value to be paid by the processor for administrative fees and ~~a portion of~~ the processing payment.

(4) Except as provided in 2(C) above, a processor shall not pay refund value payments in excess of that warranted by the received weight of a shipment.

(5) Processors shall not make any payments pursuant to the Act for materials which have not been delivered to the processor unless the following conditions are met:

(A) The shipper is a certified recycling center to which the processor has given authorization to cancel pursuant to section 2110 of these regulations; and

(B) The delivery to a location of end use and cancellation are verified in accordance with section 2420(d) of these regulations.

(6) In the case of processors that do not take delivery of the material, the weight shall mean the weight received by the entity to whom the material is physically delivered.

(7) In no case shall a processor make any payments pursuant to the Act for any material which the processor has rejected for any reason.

(b) Payments to curbside programs. Processors shall pay the refund value, administrative fees and any applicable processing payments for materials delivered to the processor from curbside programs. Processors shall adjust the refund value rate to account for shrinkage in the same manner as set forth in subsection 2535(f) of these regulations.

(1) Substantiation of payment. The processor shall compute the refund value, administrative fees and applicable processing payments based upon the materials delivered on the shipping report prepared pursuant to subsection 2425(c) of these regulations. The processor shall provide a duplicate copy of the shipping report to the shipper. Notwithstanding any other provision of this subchapter, curbside programs may not be paid at more than the applicable statewide average commingled rate, or the Division's approved individual commingled rate.

(2) Calculation of payment and fee.

(A) The processor shall pay based on actual weight of the materials received by material type multiplied by the applicable statewide average commingled rate, or the Division's approved individual commingled rate, multiplied by the sum of:

1. the segregated refund value per pound; and
2. any applicable processing payment per pound for that material type.

(B) In addition, administrative fees shall be calculated as ~~one-half~~ three-fourths of one percent (~~1/2%~~) (3/4%) of the total refund value.

(c) Payments to dropoff or collection programs and community service programs. Processors shall adjust the refund value rate to account for shrinkage in the same manner as set forth in subsection 2535(f) of subchapter 6 of these regulations. Notwithstanding any other provision of this subchapter, dropoff or collection, and community service programs may not be paid at more than the applicable statewide average commingled rate, or the Division's approved individual commingled rate.

(1) Substantiation of payment. Based upon materials received, the processor shall prepare a shipping report which states the refund value and applicable processing payments paid. The shipping report shall be prepared pursuant to subsection 2425(c) of these regulations. The processor shall provide a copy of the shipping report to the shipper.

(2) Calculation of payment and fee.

(A) The processor shall pay based on actual weight of the materials received by material type, multiplied by the applicable statewide average commingled rate, or the Division's approved individual commingled rate, multiplied by the sum of the following:

1. the segregated refund value per pound; and
2. any applicable processing payment. Processing payments shall be calculated using the applicable commingled rate.

(d) Payments for canceled material. The authorizing processor shall make payment in accordance with Section 14573.5 of the Act, to recycling centers for canceled material provided the material is shipped to the authorizing processor or to a location designated by the authorizing processor. For such transactions, program payments will be issued by the Division to processors issuing the written authorization to cancel. Program payments will not be issued by the Division to processors for loads for which they have received authorization to cancel.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14518.5, 14539, 14552(a), 14572 and 14573.5, Public Resources Code.

## SUBCHAPTER 6. RECYCLING CENTERS

### Article. 3. Accounting and Reporting Requirements

#### §2540 RECEIPT OF FUNDS.

(a) The recycling center shall receive from the processor the sum of the following amounts:

- (1) total refund value; and

(2) ~~one-half~~ three-fourths of one percent (~~1/2%~~) (3/4%) of the refund value for administrative costs; and

(3) ~~the portion of~~ any applicable processing payment pursuant to Section 14573.5 of the Act.

(b) Such payments in subsection (a) above shall be based upon the lesser of the shipping report total amount due as set forth in the shipping report, or the value appropriate for the received weight as determined by the processor in accordance with section 2430(a)(2) of these regulations.

(c) For reverse vending machines, the refund value pursuant to subsection 2540(a) above shall be based upon the applicable commingled rate, except as follows:

(1) The refund value shall be based upon the full refund value only where the reverse vending machine distinguishes 100% of the time between empty beverage containers and other containers.

(d) Except as provided in Section 14585(b)(4) of the Act, a recycling center shall receive handling fees directly from the Division based upon the weight of all empty beverage containers reported to the Division pursuant to subsection 2530(c) of these regulations.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14518.5, 14573.5, 14575(c) and 14585(b)(4), Public Resources Code.

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1:30p.m